

GEMINI

How to Open a Gemini Account for your Self-directed Solo 401k

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



MySolo401kFinancial
Grow. Control. Direct.

“A to Z” Guide – Open Self-directed Solo 401k account at Gemini

- ❖ What is Cryptocurrency
- ❖ Taxation Considerations
- ❖ How to Invest/Buy with Funds in an Solo 401k
 - Establishing & Funding Solo 401k
 - How to Open Solo 401k Account at Gemini
 - 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 Solo 401k account).
 - ❖ **Possible exception:** If you invest your Solo 401k 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.

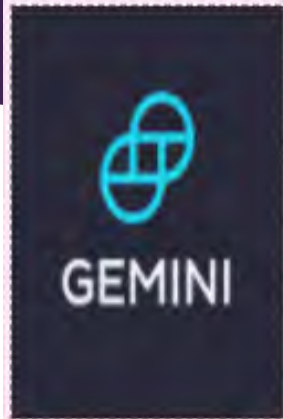
Steps to Invest Solo 401k Funds in Cryptocurrency

GEMINI

Investing a Self-Directed Solo 401(k) in Cryptocurrency

The cryptocurrency account is opened in the name of the self-directed solo 401(k) NOT your personal or business name.

5 Steps



Step 1



Qualify for a Solo 401(k)

Step 2



Adopt a Solo 401(k)

Step 3



Open the Solo 401(k) Bank Account

Step 4



Fund the Solo 401(k) Bank Account

Step 5



Solo 401k Purchases Cryptocurrency

The Steps Broken Down



Qualify for a Solo 401(k)

Business owners including independent contractors and sole proprietors are eligible for a solo 401(k) provided they don't employ full-time, non-owner W-2 employees in any business they control.



Adopt the Solo 401(k) Plan

The solo 401(k) plan provider will draft the solo 401(k) plan documents including the Trust Agreement, which will be submitted to the bank and the cryptocurrency exchange, for your signature.

The Steps Continued



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Open the Solo 401(k) Bank Account

The solo 401(k) funds must be held in a bank account titled in the name of the solo 401(k) plan and the EIN for the Plan (not your business) is used to open the Plan's bank account(s).



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Fund the Solo 401(k) Bank Account

The solo 401(k) bank account(s) is funded by making annual contributions and/or by transferring pretax IRAs or former employer plans.



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Purchases Cryptocurrency

Once the cryptocurrency account is opened, fund it with funds from the solo 401(k) bank account which is done electronically (not by check).

Tidbits

Solo 401(k) Cryptocurrency Investment Tidbits



Use the EIN for
the Solo 401(k)



Open in the
name of the
Solo 401(k)



Store
in separate
physical wallet



Do not combine
with personal
funds

Sample Cryptocurrency Account Setup – Gemini

❖ *Getting Started:*

❖ <https://exchange.gemini.com/register/institution>

- ✓ Submit onboarding questionnaire
- ✓ Gemini will contact you with an onboarding package

- Enter name of Solo 401k Plan (e.g. XYZ Trust)

- Enter your Name, email address and location

- Choose "Personal/Private Investment Vehicle"



Institutional Client Registration

Welcome to Gemini! We are working hard to make Gemini the best destination for institutions to buy, sell, and store digital assets. Please fill out the form below to begin the registration process.

Multiple people within an organization can register for Gemini and share access to the same trading account.

Upon completion, your information will be reviewed and a member of our client relations staff will contact you directly.

[Join an existing institutional account?](#)

Company Information

Legal Business Name

Company type

Personal/Private Investment Vehicle

Company Location

Country of Business

State

Personal Information [Why am I providing personal information?](#)

Legal First Name

Middle (Optional)

Legal Last Name

Your Email Address

Once submitted, a dedicated account representative will be in touch shortly regarding this application.

Continue



- Download the Institutional Account Application



Thanks for Registering!

Thank you for kicking off the account creation process. One of our client relations staff will be in contact shortly.

In the meantime, please download and complete our on-boarding documentation and application form.

Institutional Account Application

Non-Profit Account Application

"Trust is Our Product"

For trademarks and patents, please see our [Legal Notice](#).

NHLS #1518128

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Company Information

Full legal company name including any DBA names:

Registered company address:

City:

State:

Zip code:

Jurisdiction(s) of incorporation:

Federal Tax ID (i.e. EIN, VAT, etc.):

Date of Incorp.:

Phone:

Please provide the following information if applicable:

CRD:

MPID:

NFA ID:

LEI:

Contact Person Information (If applicable)

Principal contact name:

Phone:

Email:

IT/Security contact name:

Phone:

Email:

Fraud contact name:

Phone:

Email:

Chief Compliance Officer:

Phone:

Email:

Physical address (if different from registered):

City:

State:

Zip code:

Enter Address of the Solo 401k (typically your address)

Enter Original Effective Date of the Solo 401k (see page 2 of the Adoption Agreement)

SKIP - CRD, MPID, NFA ID and LEI are "N/A"

Enter your Name, Phone & Email as the Principal Contact Person

Enter Name of Solo 401k

Enter State of the Solo 401k address (typically your state)

Enter EIN of the Solo 401k (**NOT** your business EIN)

Enter your phone number

Complete as applicable (e.g. if you have a non-retirement account at Gemini)

Enter "No" if the Solo 401k bank account is in the same state of the Solo 401k address (otherwise enter applicable state).

Business Activity Information

Nature of the business of the company:

Company website URL:

Please list any associations the company (or any of its beneficial owners or signers) have with previous or current accounts with Gemini:

Will the company be linking a bank account from any jurisdiction other than the jurisdiction of incorporation? If yes, please list the jurisdiction(s).

Has the company raised funds through an ICO, or planning to raise funds through an ICO?

☐ Yes ☐ No

Is the company listed on a US Securities Exchange (e.g., NASDAQ, NYSE, etc.)?

☐ Yes ☐ No

Is the company regulated by a regulatory body (e.g., FinCEN, FCA, MAS, etc.)?

☐ Yes ☐ No

If yes, please provide regulator name & registration number:

Is the company an administrator or exchanger of virtual currency, required to register as a Money Services Business (MSB) and subjected to MSB registration, reporting, and recordkeeping regulations? ³

☐ Yes ☐ No

Enter "Solo 401k plan investment account"

SKIP – No website

Select "No" for All

Enter the state of the Solo 401k address unless you live in a different state and in that case enter the state where you live.

Answer the questions to the best of your ability

Is the company required to register as a Money Transmitter (MT) or Money Services Business (MSB) with the state the company is incorporated in and/or with each state in which the company is operational?

☐ Yes ☒ No

If no, please explain how this determination was made.

Is the company required to establish and maintain a BSA/AML program?

☐ Yes ☒ No

If yes, please provide a copy of the full BSA/AML program. ⁴

Please list jurisdiction(s) of business activity: ⁵

Anticipated trading volume (in USD):

☐ Monthly ☐ Quarterly ☐ Yearly

Anticipated funding activity (in USD):

☐ Monthly ☐ Quarterly ☐ Yearly

Anticipated funding patterns (e.g., deposit bitcoin, withdraw USD):

Select "No"

Enter "The sole purpose of the Solo 401k plan is to invest my own retirement funds."

Select "No"

Enter your personal
information

Authorized User

Full name:

Role and description:

Length of employment:

SSN/ID#: ⁶

DOB:

Email:

Phone (office):

Phone (mobile):

Address:

City:

State:

Zip code:

Enter "Trustee"

Note: If more than one authorized
user (e.g. multiple trustees),
complete for each person

Enter your personal
information

Beneficial Owners (Individual)

Full name: Nationality:
DOB: SSN/ID#: Phone:
Address:
City: State: Zip code:
% Direct Beneficial Ownership % Indirect Beneficial Ownership

- If Solo 401k is solely for your benefit, enter 100% as “Indirect Beneficial Ownership”
- If Solo 401k holds retirement funds of two or more persons, enter each person’s applicable indirect beneficial ownership percentage.

Note: SKIP “Beneficial Owners (Entity)” section because the Solo 401k funds are not held for the benefit of an entity.

Enter your name

Sanctions Representation

Neither I, nor any person or entity who controls the applicant, nor any person or entity for whom the applicant acts as an agent or nominee: (i) bears a name that appears on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") from time to time; or (ii) conducts or will conduct any business with any individual, entity or country sanctioned by OFAC or any other legal or regulatory authority in any applicable jurisdiction. Please contact the Gemini Support team with any questions.

Name (print):

Title:

Signature:

Date:

Enter "Trustee"

Sign and Date (wet
or electronic)

Enter your name

Enter "Trustee"

Sign and Date (wet
or electronic)

Agreement

1. I hereby certify to Gemini Trust Company, LLC ("Gemini") that the above natural persons are legally authorized to represent, execute trades, and transact on behalf of the above registered company.
2. I understand that Gemini will be relying on the accuracy of the above certification and I represent, warrant and covenant to Gemini that the above statements are complete and accurate.
3. By submitting this application, I hereby authorize Gemini to make inquiries into the company and business activity references that I have supplied.

Name (print):

Title:

Signature:

Date:

Sample Cryptocurrency Account Setup – Gemini (continued)

❖ **Additional Documentation Needed:**

- ✓ ID (e.g. passport or state-issued ID card) for all beneficial owners and authorized signers on the account including DOB & SSN
 - Enter your information as the trustee/beneficial owner of the Solo 401k
- ✓ Copy of Trust Agreement or Certification of Trust
 - Included in the Solo 401k Establishment Documents
- ✓ Signed w9 form
 - Provide 401k EIN which is included in the Solo 401k Establishment Documents
- ✓ Proof of source of wealth
 - Provide Solo 401k bank account statement
 - If applicable, statement that saved funds as employee (or self-employed person as applicable) and related documents (e.g recent paystub, screenshot of LinkedIn profile, membership in professional association(s), etc.)

How to Open Solo 401k Account at Gemini

Additional Documentation Needed:

✓ Signed W-9 Form

Form W-9 (Rev. November 2017) Department of the Treasury Internal Revenue Service		Request for Taxpayer Identification Number and Certification		Give Form to requester. Do not send to the IRS.
Go to www.irs.gov/FormW9 for instructions and the latest information.				
1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Enter name of solo 401k here: e.g., Go Chargers Trust				
2 Business name/disregarded entity name, if different from above				
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 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 checked="" type="checkbox"/> Other (see instructions) ▶ Enter: "Retirement Trust"			4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) 1 Exemption from FATCA reporting code (if any) _____ (Apply to accurate matches which the IRS.)
	5 Address (number, street, and apt. or suite no.) See instructions. Enter address for the plan here.			Requester's name and address (optional)
	6 City, state, and ZIP code Enter City and State here			
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. ENTER EIN FOR SOLO 401K TRUST---				
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 ▶	Trustee signs here.		Date ▶ Make sure to date

Sample Cryptocurrency Account Setup – Gemini (continued)

- **Sub-accounts supported?** Yes
- **Funding the account with Fiat Dollar?**
 - Yes – the account can be funded with US dollars
 - The name on the funding account must match either the name of the Trust or one of the beneficial owners provided that they have been expressly authorized to transact on behalf of the account
- **Processing Time?** Approximately 2 weeks

Practical Tips: Investing Solo 401k funds in cryptocurrency

➤ Opening an Account at a Cryptocurrency Exchange

- Name and EIN of the Solo 401k (consider tax reporting by the exchange)
- Separate accounts for multiple participants (e.g. spouses) or types of funds (pre-tax or Roth)

➤ 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 Solo 401k
 - ❖ Some exchanges may require that the account is funded via ACH and generally can't ACH funds out of a Solo 401k brokerage. As a result, it is generally easier to fund the exchange account via Solo 401k bank account.
- Separate transfers for multiple participants (e.g. spouses) or types of funds (pre-tax or Roth)

➤ 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



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