



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

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

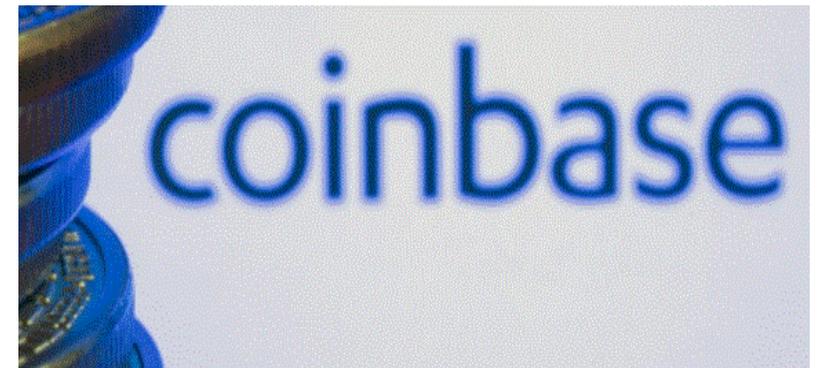
1-800-489-7571



MySolo401kFinancial
Grow. Control. Direct.

"A to Z" Guide – Open Self-directed Solo 401k account at Coinbase

- ❖ 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 Coinbase
 - Purchase
 - Storage
- ❖ Practical Tips
- ❖ ***Get more info***



What is Cryptocurrency?

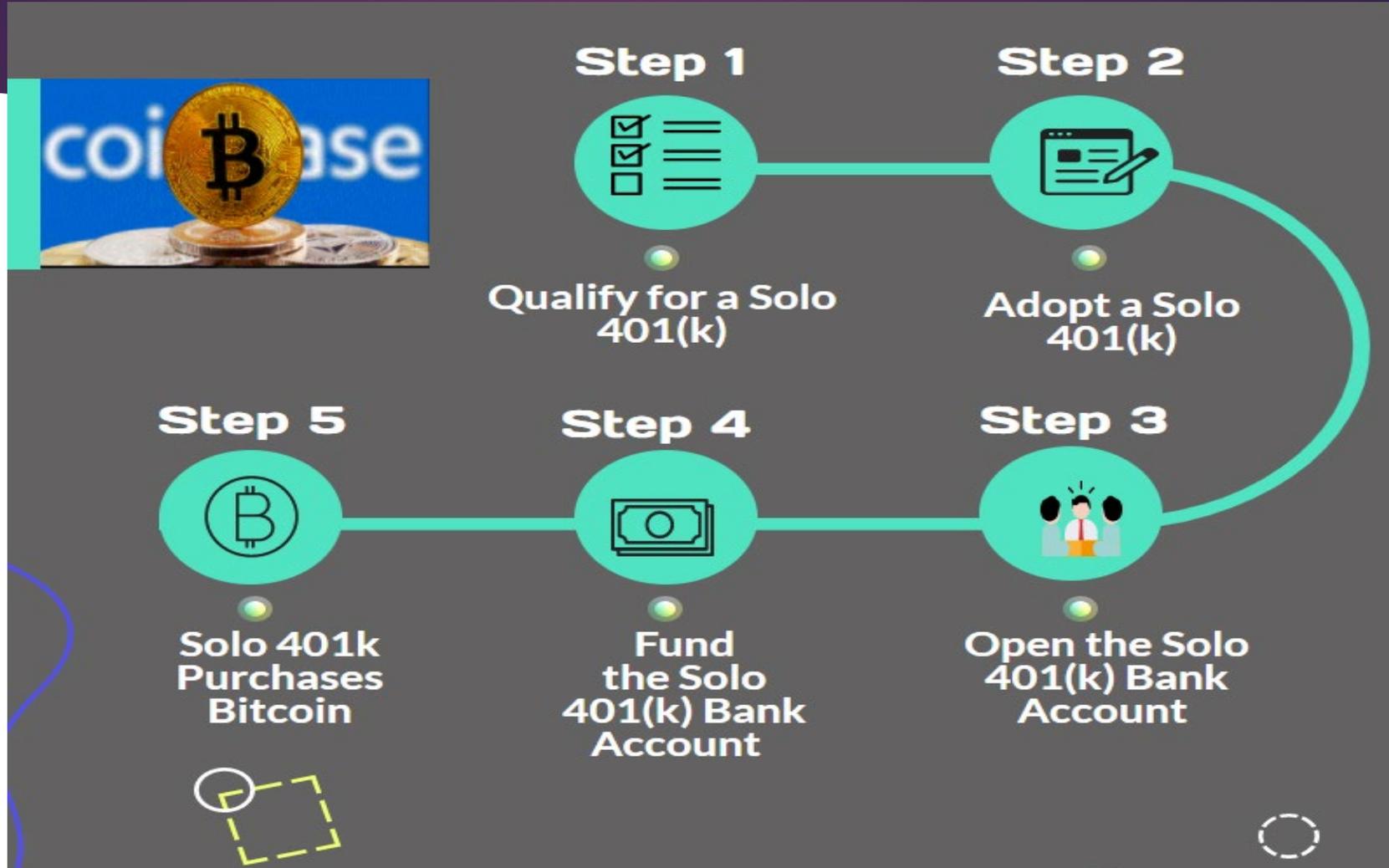
- Per IRS Revenue Ruling 2019-24:
 - Virtual currency is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value.
 - Cryptocurrency is a type of virtual currency that uses cryptography to secure transactions that are digitally recorded on a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

5 Steps



Steps 1& 2

The Steps Broken Down

1

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.



2

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.



Steps 3 & 4

3

Open the Solo 401(k) Bank Account

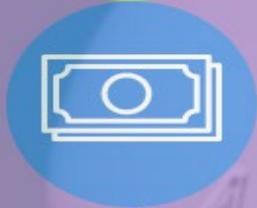


The solo 401(k) funds must be held in a bank account titled in the name of the solo 401(k) plan and the EIN for the Plan (not your business) is used to open the Plan's bank account(s).



4

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.

Steps 5

5

Purchases Bitcoin

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)



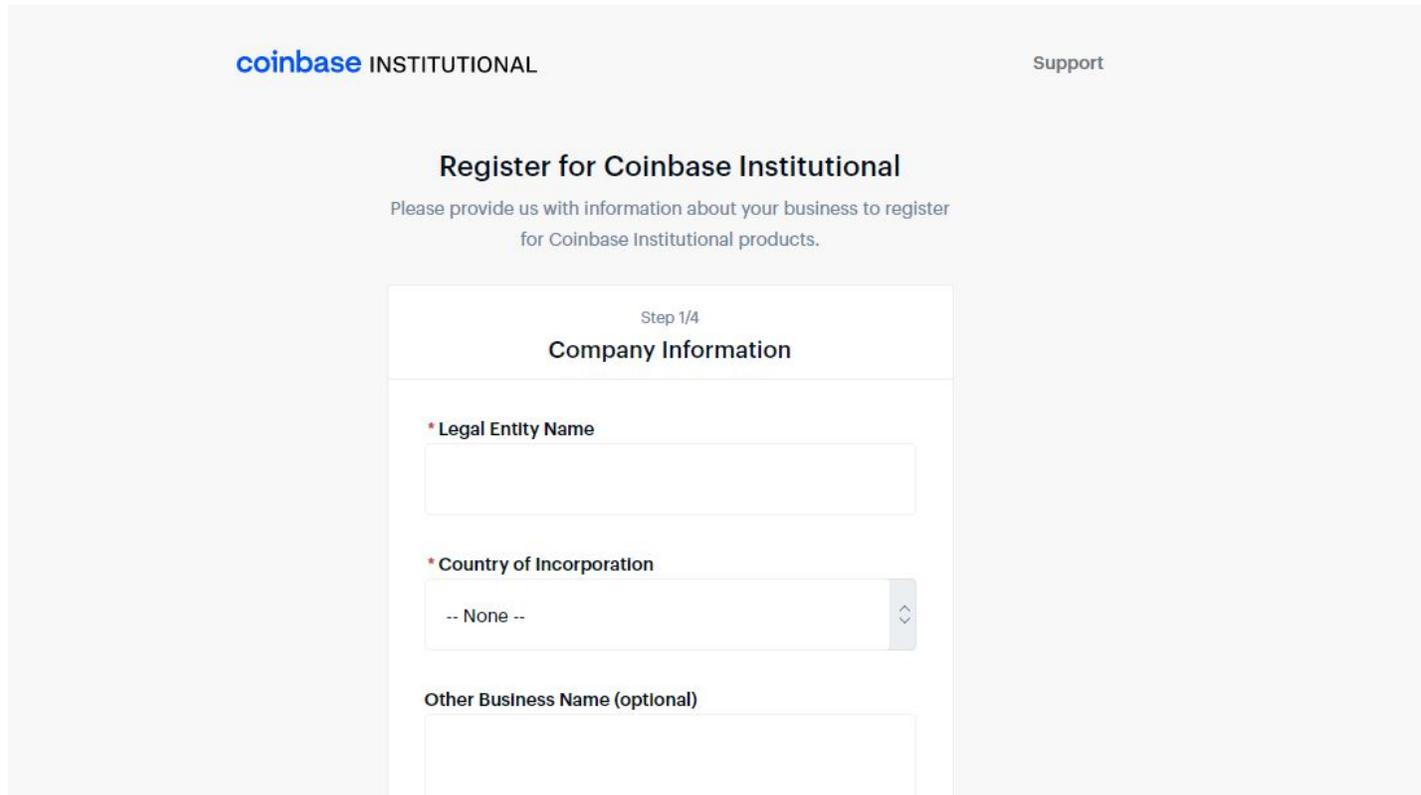
Store in a
separate
physical wallet



Do not combine
with personal
funds

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 registration page for Coinbase Institutional. At the top left is the "coinbase INSTITUTIONAL" logo, and at the top right is a "Support" link. 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." The form is titled "Step 1/4 Company Information" and contains three input fields: a text field for "Legal Entity Name", a dropdown menu for "Country of Incorporation" (currently showing "-- None --"), and a text field for "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 your Solo 401k

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

Select "United States"

SKIP

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

*** 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

*** Place of Business State**
-- None --

*** Type of Business**
-- None --

*** Global Number of Employees**
-- None --

Company Website (optional)
https://www.

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

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

Select "Personal Investment Company"

SKIP

Enter "This is a Solo 401k investment account for investing my own retirement funds in different assets including cryptocurrencies."

Select "United States"

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

Select "1-10"

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

Then click "Next"

Register for Coinbase Institutional

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

← Step 3/4
Product Interest

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

Coinbase Prime
Coinbase Prime is an integrated solution that marries our best-in-class custody, advanced trading platform, and prime services.
NOTE: Coinbase Prime is not currently available. Select this option to indicate your interest in the product. We will reach out to you once the product is generally available in a few months.

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

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 Exchange.

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

Select

Coinbase Exchange
Coinbase Exchange provides access to the largest pool of regulated liquidity, real-time market data, robust analytics and APIs to develop internal programmatic trading tools.

Select

Coinbase Analytics
Enables AML, CFT, sanctions screening, and compliance investigations on cryptocurrency addresses and transactions.

Select

Next

If you intend to meet the \$500k minimum balance requirement, you may select either "Coinbase Prime" or "Coinbase Custody"

Most choose "Coinbase Exchange"

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 retirement 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 expected 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)

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

Submit

Enter your Name, email address and phone number

Enter LinkedIn profile URL and other contact info (Optional)

Enter "Trustee"

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 Inbox X

 **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 Name of Solo 401k Plan and Invite Code

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

Enter Name of Solo 401k Plan

SKIP

coinbase

Institutional

Home

Privacy Policy

FAQ

Hanna: 

Our 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**

*** Street Address 1**

Enter your address

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

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

Select "United States"

Select "Trust"

Select "Financial Services (non-crypto)"

Select "Personal Investment Company (PIC)"

The image shows a screenshot of a web form with two main sections: "Incorporation Information" and "Client Type".

Incorporation Information

- *Date of Incorporation / Formation: A text input field with a red arrow pointing to it from the top-left callout box.
- *Country of Incorporation: A dropdown menu with "United States" selected. A red arrow points to it from the middle-left callout box.
- *State of Incorporation: A dropdown menu. A red arrow points to it from the top-right callout box.
- *Legal Entity Type: A dropdown menu with "Trust" selected. A red arrow points to it from the middle-right callout box.

Client Type

- *Industry: A dropdown menu.
- *Business type: A dropdown menu with the instruction "Select the option you feel best describes your type of investing." below it. A red arrow points to it from the bottom-right callout box.

There are also two callout boxes on the left side of the form:

- A top-left callout box pointing to the "Date of Incorporation / Formation" field.
- A middle-left callout box pointing to the "Country of Incorporation" dropdown.

At the bottom-left, a callout box points to the "Business type" dropdown.

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 a Solo 401k 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 checked="" type="radio"/>	<input type="radio"/>

* Monthly anticipated on-exchange trading volume in USD

* 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 Identification Number, or other local entity identification number). For businesses incorporated in the US, this can be 9 digits i.e. xx-xxxxxxx. Other countries have a mix of characters and numbers.

Enter the EIN of
the Solo 401k

* 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 on
following slides) & then
Upload

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 be prompted to submit an authorized representative list.
- Please use this and the following slide as a guide to complete the authorized representative list in order to open an account for a Solo 401k plan.

PLEASE ADD YOUR COMPANY HEADER - **(NAME OF TRUST)**

To: Coinbase

The following person(s) is (are) duly Authorized Representatives¹ of **[ENTER LEGAL ENTITY ACCOUNT NAME - (NAME OF TRUST)]** [please add all that apply]:

Name	Title/Position
NAME OF TRUSTEE 1	TRUSTEE
NAME OF TRUSTEE 2	TRUSTEE

The following person(s), known as Authorized Applicants, known as Authorized Applicants, is (are) duly authorized² to submit and sign applications on behalf of **[ENTER LEGAL ENTITY ACCOUNT NAME - (NAME OF TRUST)]**:

Name	Title/Position
NAME OF TRUSTEE 1	TRUSTEE
NAME OF TRUSTEE 2	TRUSTEE

Please provide a proof of identity³ for each person(s). - **See Supported ID's List Below**

¹ An "Authorized Representative" is defined as a natural person who is a person of influence within the firm that is able to make decisions on behalf of the legal entity, for example senior management, directors and shareholders. Please list on this form each person(s) you have listed on the application as a control person, a beneficial owner, a director, or another authorized representative. For trusts, this would include the trustee(s), settlor(s), beneficiaries, and protector/controller(s), as applicable.

² An "Authorized Applicant" is defined as a natural person who is a person of influence within the firm that is able to complete and submit applications on behalf of the legal entity, for example senior management, directors and shareholders.

³ Supported IDs are as follows: *(must be color copy)*

- Passport
- Passport Card (US and EU only)
- EU National Identity Card
- Identity Card (Singapore)
- Driver's License (front and back) **(NOT acceptable for Germany)**
- Military ID if match the U.S. address

PLEASE ADD YOUR COMPANY HEADER - (NAME OF TRUST)

Signed: _____

Print name: _____

Title: _____

Date: _____

****Points To Remember;**

- ❖ An Authorized Representatives List is simply a document listing you, and any additional trustees, as the trustee(s) for your new solo 401k trust.
- ❖ Keep in mind, this is a retirement trust and a retirement trust has trustees.
- ❖ You have 100% beneficial ownership of your vested solo 401k balance.
- ❖ Coinbase should not need info about your actual company, they generally just collect info about the solo 401k trust plan.
- ❖ You can refer Coinbase to the signature page (last page) of the plan adoption agreement where you, and any additional trustees, are listed.

- You will also be prompted to submit information regarding the Trustee (i.e. you) & upload your Government ID.
- Upload the Trust Agreement & Adoption Agreement for the Solo 401k

- Coinbase will email you when your application has been processed.

How to Open Solo 401k Account at Coinbase

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 the 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

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.

Individual/sole proprietor or single-member LLC
 C Corporation
 S Corporation
 Partnership
 Trust/estate
 Limited liability company. Enter the tax classification (D=C corporation, S=S corporation, P=Partnership) ▶
 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)
(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.
Enter address for the plan here.

6 City, state, and ZIP code
Enter City and State here

7 List account number(s) here (optional)

8 Requester's name and address (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 *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number
____ - ____ - ____
OR
Employer identification number
____ - ____ - ____ - ____ - ____

ENTER EIN FOR SOLO 401K TRUST--->

Part II Certification

Under penalties of perjury, I certify that:

- 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
- 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
- I am a U.S. citizen or other U.S. person (defined below); and
- 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**

Funding Cryptocurrency Account at Coinbase & Processing Times

- **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



MySolo401kFinancial
Grow. Control. Direct.



1-800-489-7571

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



MySolo401kFinancial
Grow. Control. Direct.