The SEC on Sep 17 rolled out an innovation exemption for tokenized stock trading, including specific rules and regulations for Tokenized Securities Venues (TSVs).

For exchange operators and token issuers investigating or building to meet this opportunity, this document highlights data and reporting requirements with special attention to points where robust data systems can reduce risk of noncompliance due to operational failures.

1 Transaction Transparency

TSVs must publish machine-readable, US dollar-denominated transaction data covering the past 30 days, updating it within 10 minutes of each trade. Required fields include the traded symbols and paired asset, price, size, transaction time, and direction. A TSV must make this transaction data publicly available to market participants at the same time and on the same terms.

A trusted, external data provider focused on data reliability can improve the robustness in transaction transparency systems. The 10-minute grace period is ample time for data ingestion, normalization, verification, and delivery, ensuring reliable data output.

EOD volume & size of pool reporting

Automated market maker (AMM) liquidity pools are a definitive compliance component. TSVs must disclose each pool’s daily asset-pair share volume, and end-of-day pool size per asset pair.

> **Best Practice:** Teams and systems dedicated to continuous data reliability in transaction transparency flows.

2 Per-Day Volume Cap

A per-day volume cap is set at 0.25% of the prior month's average daily share volume for Tier 1 Tokenized NMS Stock and 2.5% for Tier 2, measured against the underlying NMS Stock's reported volume. TSVs must aggregate trading volume with affiliated TSVs when calculating compliance with this per-day volume cap.

Robust systems will automatically halt or slow trading when it approaches cap levels. This can be encoded at the smart-contract level using oracle inputs, or via other mechanisms. A separate mechanism can be used to monitor compliance and maintain records.

Penalties for exceeding the volume cap escalate with every breach, up to a 3-month suspension of trading. Accurate calculation of those levels is critical to compliance, user experience, and growth.

> **Best Practice:** Automated halt or slowdown as trading approaches cap levels.

3 Market Halts

For spot TSVs, market status monitoring is critical in one aspect: a TSV must halt trading in a Tokenized NMS Stock whenever the underlying NMS stock's trading is halted or suspended on its primary listing exchange, whether due to a circuit breaker, pending material news, an SEC or SRO suspension, or delisting proceedings.

> **Best Practice:** Well-defined market status inputs to trigger compliance halts.

4 Books and Records

The SEC provides a list of books and records a TSV must make available for inspection, documenting compliance with Innovation Exemption conditions. They include:

- Trading interest details *(date, time, size, price in USD)*
- Transaction details *(execution time, size, paired assets, cancellations, modifications, price)*
- Fees, rebates, discounts, and other compensation sources
- Trading stoppage records *(stock, reasons, start/end time, resumption)*
- Average daily share volume per Tokenized NMS Stock
- Operational events *(system intrusions, disruptions)*
- All notices submitted under the TSV Exemption

These books-and-records requirements can be fulfilled via onchain data, offchain data, or some combination of the two—provided the Commission can readily retrieve them in both human-readable and reasonably usable electronic form.

> **Best Practice:** Configure books-and-records data flows for optimal integration with existing systems, using a combination of onchain and offchain data flows, as needed.

Conclusion

Stork is the onchain leader in securing operationally critical data flows, with 4 plus years of five 9s uptime, and $4.5 trillion in volume secured. Consult us before you make a decision on TSV design.

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