U.S. Securities and Exchange Commission

PRESS RELEASE

SEC Issues “Innovation Exemption” to Facilitate the Trading of Tokenized NMS Stock and Request for Comment

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Washington D.C., Sept. 17, 2026 — The Securities and Exchange Commission today issued an order granting temporary, conditional exemptive relief to Tokenized Securities Venues each a “TSV” from the definition of “exchange” in the Securities Exchange Act of 1934 (Exchange Act) to trade tokenized National Market System (NMS) stock using innovative permissioned automated market makers and liquidity pools (together “AMM Liquidity Pools”).

“Today, the Securities and Exchange Commission is taking a significant step forward, within its statutory authority, to bring America’s capital markets into the digital age by facilitating onchain trading of certain tokenized stocks through the ‘Innovation Exemption,’” said SEC Chairman Paul S. Atkins in a statement (/newsroom/speeches-statements/atkins-innovation-exemption-bridge-toward-durable-rulemaking-091726). “The Innovation Exemption, while temporary, would allow TSVs to trade tokenized NMS stock in a permissioned environment today while the Commission considers the need for additional action to facilitate onchain trading. As we take this important first step, we invite public comment on all aspects of the Innovation Exemption to help inform the Commission as it considers further changes.”

“Today’s approval of exemptive relief for on-chain secondary trading on a TSV – known as the ‘Innovation Exemption’ – marks an important milestone for the Commission’s work to open our capital markets for tokenized securities,” said Jamie Selway, Director of the SEC Division of Trading and Markets. “The division stands ready to work with interested

parties seeking to operate a TSV and field questions from investors and market participants.”

TSVs bring together buyers and sellers of tokenized NMS stock by: (1) providing one or more AMM Liquidity Pool(s) for permissioned participants to interact and agree to terms of a trade and (2) setting standards for persons to access trading on such AMM Liquidity Pool(s).

The exemption from the definition of “exchange” for TSVs is subject to conditions designed to ensure the exemptive relief is in the public interest and consistent with the protection of investors, including that:

- Tokenized NMS stocks traded on a TSV are subject to limits on the number of symbols and volume traded;
- A TSV must verify that the tokenized NMS stock made available for trading on the TSV provides holders the same rights and privileges as does traditional NMS stock of an equivalent class;
- Before making available for trading a tokenized NMS stock that is tokenized by an unaffiliated third party, the TSV must provide written notice and an opportunity to object to the issuer of the underlying NMS stock;
- Smart contracts used by a TSV must be auditable, public, and deployed on a public, permissionless distributed ledger;
- A TSV must stop trading in a tokenized NMS stock concurrently with any stoppage of trading in the underlying NMS stock on the primary listing exchange; and
- A TSV must provide public notice about its operations, trading activities, and the trading activities of its affiliates on the TSV.

In addition, the order also will temporarily grant a conditional exemption from the definition of “dealer” as defined in section 3(a)(5) of the Exchange Act to liquidity providers in an AMM Liquidity Pool used by a TSV that supply liquidity in the form of tokenized NMS stock using proprietary capital and may also be engaged in additional activities that are indicia of dealing activity, such as quoting pricing to customers or entering into agreements to provide committed capital.

The exemptions are set to expire five years after publication. The order solicits public comment about possible modifications to the exemptive relief and potential next steps. The order will be published on SEC.gov and in the Federal Register. The SEC looks forward to continued public engagement on the temporary exemptions.

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Last Reviewed or Updated: Sept. 17, 2026

RESOURCES

- **Order** (/rules-regulations/2026/09/4-927)
- **Fact Sheet**