

Delaware Banking Law Update

Tuesday, March 24, 2026

Proposed Amendments to Title 5 of the Delaware Code

On March 23, 2026, at the University of Delaware Fintech Innovation Hub, Delaware Governor Matt Meyer and prime legislative sponsors Senator Spiros Mantzavinos and Representative Bill Bush announced the introduction of a package of bills designed to modernize Title 5 of the Delaware Code (the "Banking Code"). Included in this package and introduced in the Delaware General Assembly simultaneously with such announcement was [Senate Bill No. 16](#)—the "Delaware Banking Modernization Act of 2026" (the "Modernization Act") and [Senate Bill No. 19](#)—the "Delaware Payment Stablecoin Act" (the "Stablecoin Act"). Governor Meyer also announced another forthcoming bill, Senate Bill No. 18, to adopt, in some form, the Conference of State Bank Supervisors' Money Transmission Modernization Act, a model act that has been adopted in full or in part in thirty-one other states. The following is a brief summary of the Modernization Act and the Stablecoin Act.

Modernization Act

The Modernization Act is intended to update and modernize various provisions of the Banking Code, including by addressing (i) digital assets and virtual currency, (ii) chartering, corporate governance, and organizational requirements for Delaware state-chartered banks and trust companies, (iii) the redomiciliation of out-of-state banks and trust companies to Delaware, (iv) the authority of out-of-state financial institutions to act as fiduciaries in Delaware, and (v) the elimination of competition restrictions on Delaware limited purpose trust companies. With respect to digital assets, the Modernization Act defines "Digital Asset" and "Virtual Currency" and explicitly permits Delaware state-chartered banks and trust companies to hold and administer such digital assets and virtual currencies on behalf of customers and otherwise deal in such assets as is permitted with respect to other types of personal property. With respect to chartering, the Modernization Act empowers the State Bank Commissioner to charter banks and trust companies that engage in specialized activities (such as digital asset or payment activities) and permits the State Bank Commissioner to adopt different application requirements based on the underlying risks and proposed activities of the institution. Next, with respect to the redomiciliation of out-of-state banks and trust companies to Delaware, the Modernization Act explicitly permits the merger of out-of-state trust companies with and into Delaware state-chartered trust companies and the conversion of out-of-state chartered banks and trust companies into Delaware state-chartered banks and trust companies. The Modernization Act also adds a reciprocity provision to the Banking Code to permit all types of non-Delaware state-chartered banks and trust companies (regardless of the form of organization) to be appointed as a fiduciary under an instrument governed by Delaware law, and to act as a fiduciary in Delaware, but only to the extent the laws of such institution's home state confer reciprocal powers on Delaware state-chartered banks and trust companies. Further, the Modernization Act eliminates the historical competition restriction



on Delaware limited purpose trust companies that prevents them from competing with Delaware banks and trust companies for in-state business. In addition to the provisions noted herein, the Modernization Act includes other provisions intended to update or clarify language in the Banking Code.

Stablecoin Act

The Stablecoin Act is intended to implement the federal Guaranteeing Essential National Infrastructure in US-Stablecoins Act ("GENIUS Act") and provides for state licensing and regulation by the State Bank Commissioner of payment stablecoin-related activities. The bill authorizes the creation of a Payment Stablecoin Issuer License, a Digital Asset Service Provider License, and a Combination License. A Payment Stablecoin Issuer License will allow an entity to create, issue, and redeem stablecoins, while a Digital Asset Service Provider License will allow an entity to exchange digital assets for monetary value, exchange digital assets for other digital assets, transfer digital assets to a third party, act as a digital asset custodian, and participate in financial services relating to digital asset issuance. Similar to the GENIUS Act, the Stablecoin Act also establishes reserve requirements, redemption timing standards, capital standards, anti-money laundering obligations, and custody safeguards. The Stablecoin Act also contains a federal to state charter conversion pathway, allowing issuers who receive a GENIUS Act waiver to choose to be regulated by the State Bank Commissioner.

If enacted, the Modernization Act and Stablecoin Act would become effective immediately upon enactment of such bills into law and are required to be implemented upon the earlier of one year after enactment or the promulgation of final regulations by the State Bank Commissioner.

If you have any questions about the proposed legislation discussed herein, please contact [Mark Purpura](#). Mr. Purpura is a director of Richards, Layton & Finger, P.A. and was involved in the drafting of these amendments to the Banking Code.