

## Delaware Eyes Stablecoin Edge With Banking Law Overhaul

By Jarek Rutz

*Law360 (April 14, 2026, 4:29 PM EDT)* -- Delaware lawmakers and industry attorneys say a pair of proposed bills updating the state's banking laws and creating a regulatory framework for payment stablecoins are aimed at ensuring the state remains a leader as financial services evolve, just as it did decades ago with credit card banking and corporate law.

The effort reflects a familiar Delaware playbook: updating its legal framework to capture emerging sectors. S.B. 16 would revise the state's banking statute to formally recognize digital assets, expand the state bank commissioner's authority and streamline transactions like mergers and trust operations, while S.B. 19 would create a licensing regime for payment stablecoin issuers, including requirements for reserves, disclosures and anti-money laundering compliance.

There are parallels to the early 1980s, when Delaware updated its banking laws to attract credit card companies, helping cement its role as a financial hub. The bills will be heard by the Senate Banking, Business, Insurance & Technology Committee on Wednesday.

"I think there's a recognition that we have not had any major revisions to our banking statute since 1981," Sen. Spiros Mantzavinos, D-Elsmere, who sponsored the bills, told Law360. "There's been some tweaks along the way, but this is the time to do it."

The legislation reflects Delaware's approach of adapting to economic change while preserving a legal system that has long attracted businesses. About 68% of the nation's Fortune 500 and more than 2 million corporate entities are chartered in Delaware overall, with corporate franchise revenues accounting for about a quarter of the state's general fund.

"Obviously, we want to make sure we continue to have a business climate that hopefully will bring those businesses to Delaware," Mantzavinos said.

By updating Title 5 of the Delaware Code, the bill's supporters are aiming to address developments in digital assets without significantly altering the legal environment that governs corporate and financial disputes.

"We do not expect S.B. 16 or S.B. 19 to materially affect the types of litigation we have seen in the Delaware courts involving cryptocurrency," Mark V. Purpura, director at Richards Layton & Finger PA, told Law360 in an email, noting that most existing disputes involve assets outside the bills' scope.

Stablecoins are a type of cryptocurrency designed to maintain a steady value and are typically pegged to a real-world asset like the U.S. dollar, whereas traditional cryptocurrency fluctuate in price based on market demand and speculation. Stablecoins are thus often used for payments or as a safe haven within cryptocurrency markets, while many other cryptocurrency assets are more commonly treated as investments.

The bills would align the state with the federal Guiding and Establishing National Innovation for U.S. Stablecoins Act, enacted in 2025, which creates a nationwide regulatory framework for payment stablecoins while allowing qualified issuers to operate under either federal oversight or comparable state regimes.

Delaware's appeal has long been tied to the predictability of its courts, particularly the Chancery Court, and maintaining that stability while updating regulatory rules allows the state to pursue new business without undermining a core advantage.

"Almost all of those [cryptocurrency-related] cases involve things other than stablecoins, and so I don't see the bills affecting the Chancery in really any meaningful way," said Matthew Bisanz, partner at Mayer Brown LLP.

### **Implications for Lawyers and Businesses**

For Delaware's legal community, the effect of the bills is expected more in advisory work, particularly as clients evaluate where to establish digital asset operations.

"There will be a question of if stablecoin issuers want to locate themselves in Delaware, to access Delaware's corporate law purposes," Bisanz said. "Really, the business activities of the stablecoin issuer are almost secondary, those are going to be similar to what the federal government has."

That shift could create new opportunities for attorneys specializing in financial regulation, corporate structuring and digital assets, even if it does not generate a surge in litigation.

At the same time, the legislation places significant responsibility on regulators. The Office of the Delaware State Bank Commissioner will oversee digital asset activities, a structure attorneys say adds credibility and clarity.

"The digital asset activities that are permitted under these two bills will be supervised by the Office of the Delaware State Bank Commissioner, which is a sophisticated state banking regulator," Purpura said. "S.B. 19, in particular, includes prudent licensing, consumer protection, capital, reserve and disclosure requirements applicable to payment stablecoin issuers, while providing these issuers with increased regulatory certainty in Delaware."

### **A Familiar Strategy**

Delaware has followed a similar path before. In 1981, the state enacted the Financial Center Development Act, which encouraged out-of-state banks to move their headquarters to Delaware and helped transform it into a national hub for credit card issuers and other financial institutions.

Today, Delaware hosts major operations for institutions such as JPMorgan Chase, Discover, Barclays US, Bank of America, Capital One and Citi, drawn by what are perceived as business-friendly laws and

regulatory flexibility.

"What FCDA did was facilitate interstate banking," said Karyn S.W. Polak, president, CEO and treasurer of the Delaware Bankers Association. "What Delaware laws and court cases have done since then, and arguably even beforehand, is provide meaningful predictability in outcomes for businesses, banks and trust companies, which makes Delaware a business-friendly place to operate."

### **Updating the Framework**

S.B. 16, the Delaware Banking Modernization Act, aims to formally define digital assets under state law and expand the authority of the state bank commissioner, including greater flexibility in supervising institutions and approving governance structures.

It also updates how banks and trust companies operate by streamlining mergers, conversions and interstate activities, while strengthening oversight standards around risk management, recordkeeping and data protection.

For attorneys advising financial institutions, some provisions could have practical implications. Bisanz pointed to a change allowing limited purpose trust companies to more freely attract customers.

"I think this is a positive for the limited purpose trust companies, but it will let them compete more for customers who are seeking digital asset services," he said.

Other updates address mergers involving trust companies, including clarifying that fiduciary roles transfer automatically by operation of law, reducing the need for additional approvals and adding certainty to transactions.

### **Building a Stablecoin Regime**

S.B. 19, the Delaware Payment Stablecoin Act, would require one-to-one reserves, set redemption and disclosure rules, and impose capital, custody and anti-money laundering requirements, while giving the state bank commissioner authority to issue regulations and coordinate with federal regulators.

"We wanted to make sure that we updated our laws responsibly so that we can remain competitive and maintain strong consumer protection," Mantzavinos said.

Attorneys say alignment with the Genius Act is key to making Delaware competitive with established hubs.

"Delaware is saying, 'We want a seat at the table, too'," Bisanz said.

In a state where companies often choose to incorporate based on the predictability of its legal system, that continuity may be as important as the new rules themselves.

"There hasn't been any opposition yet," Mantzavinos said. "Most of the feedback I've received has been positive."

--Editing by Alex Hubbard.

All Content © 2003-2026, Portfolio Media, Inc.