

CHAPTER 1
FORMERLY
HOUSE BILL NO. 20

AN ACT TO AMEND TITLE 5 OF THE DELAWARE CODE RELATING TO THE PURCHASE BY A BANK OR TRUST COMPANY OF THE SHARES OF ITS OWN CAPITAL STOCK.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE (Two-thirds of all members elected to each house thereof concurring therein):

Section 1. Amend § 768, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 768 Loans on security of and purchase of its own capital stock.

No corporation established under this chapter or under Chapter 15 of this title shall directly or indirectly make a loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith. The stock so purchased or acquired shall, within 6 months after its purchase or acquisition, be sold or disposed of at public or private sale. Notwithstanding the foregoing, the Commissioner may approve the purchase by such a corporation of the shares of its own capital stock, subject to such terms and conditions, if any, as the Commissioner may require.

Section 2. Amend § 912, Title 5 the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 912 Limitations upon loans on security of and purchase of own capital stock.

No bank or trust company shall purchase shares of its own capital stock, nor make any loan on the faith or pledge of shares of its own capital stock; but nothing in this section shall inhibit such purchase or loan when necessary to prevent loss on debts created prior to March 31, 1921, nor shall it affect the holding of stock acquired by any bank or trust company prior to March 31, 1921. Notwithstanding the foregoing, the Commissioner may approve the purchase by a bank or trust company of the shares of its own capital stock, subject to such terms and conditions, if any, as the Commissioner may require.

Section 3. Amend § 1663, Title 5 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1663 Loans on security of and purchase of its own capital stock.

No corporation established under this chapter shall directly or indirectly make a loan or discount on the security of the shares of its own capital stock, nor be the purchaser or holder of such shares, unless such security or purchase shall be necessary to prevent loss upon a debt previously contracted in good faith. The stock so purchased or acquired shall, within 6 months after its purchase or acquisition, be sold or disposed of at public or private sale. Notwithstanding the foregoing, the Commissioner may approve the purchase by such a corporation of the shares of its own capital stock, subject to such terms and conditions, if any, as the Commissioner may require.

Section 4. This Act shall take effect upon its enactment into law.

Approved January 29, 2015