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FTC Announces Increased HSR Thresholds

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The Federal Trade Commission (FTC) announced today increased jurisdictional thresholds for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act).

Revised HSR Thresholds

A transaction is reportable if:

Size of Transaction Test	<p>The acquiring person will hold, as a result of the transaction, an aggregate total amount of voting securities or assets of the acquired person valued in excess of \$272.8 million;</p> <p><i>or</i></p> <p>The acquiring person will hold, as a result of the transaction, an aggregate total amount of voting securities or assets of the acquired person valued in excess of \$68.2 million, <i>and</i> the Size of Person thresholds below are met.</p>
Size of Person Test	<p>Either the acquiring or the acquired person has at least \$13.6 million in assets or sales, and the other person has at least \$136.4 million in assets or sales.</p>

The FTC revises the thresholds annually based on changes in the gross national product.¹ The new thresholds will be effective 30 days after their publication in the Federal Register. The increased thresholds will result in fewer reportable transactions under the HSR Act.

The HSR Act requires parties engaged in certain transactions (including mergers, acquisitions, joint ventures, and exclusive license deals) to file a notification and report form with the FTC and the Antitrust Division of the Department of Justice (DOJ), and to observe the statutorily prescribed waiting period (usually 30 days) prior to closing, if the parties meet the threshold requirements (absent any applicable exemptions).

Filing Fees

Filing fees for the premerger notification remain unchanged, but the FTC has revised the thresholds used to determine applicable fees. Under the revised thresholds, the filing fees are as follows:

Filing Fee	New Filing Fee Thresholds
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\$45,000	For acquisitions valued at \$68.2 million or more up to \$136.4 million.
\$125,000	For acquisitions valued at \$136.4 million or more up to \$682.1 million.
\$280,000	For acquisitions valued at \$682.1 million or more.

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Feel free to contact one of the attorneys listed above for further information on this or any HSR-related question. We would be pleased to assist you with any concerns you may have.

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Endnotes

- 1 The 2011 thresholds required a premerger notification filing for the acquisition of securities or assets valued at \$66 million or more if either the acquiring or the acquired party had at least \$13.2 million in assets or sales, and the other party had at least \$131.9 million in assets or sales. The Size of Person test was not required if the value of the securities or assets acquired was at least \$263.8 million.
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