

Annual HSR Threshold Adjustments Announced

FTC adjusts the Hart-Scott-Rodino Act size thresholds, including raising the minimum size for reportable acquisitions to \$78.2 million.

On January 21, 2016, the Federal Trade Commission announced new jurisdictional thresholds for the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act). The FTC adjusts the thresholds annually, based on the change in gross national product. These increases will take effect 30 days after the date of publication in the Federal Register. The new thresholds should be effective in late February and will affect all transactions closing on or after the effective date.

The new thresholds will:

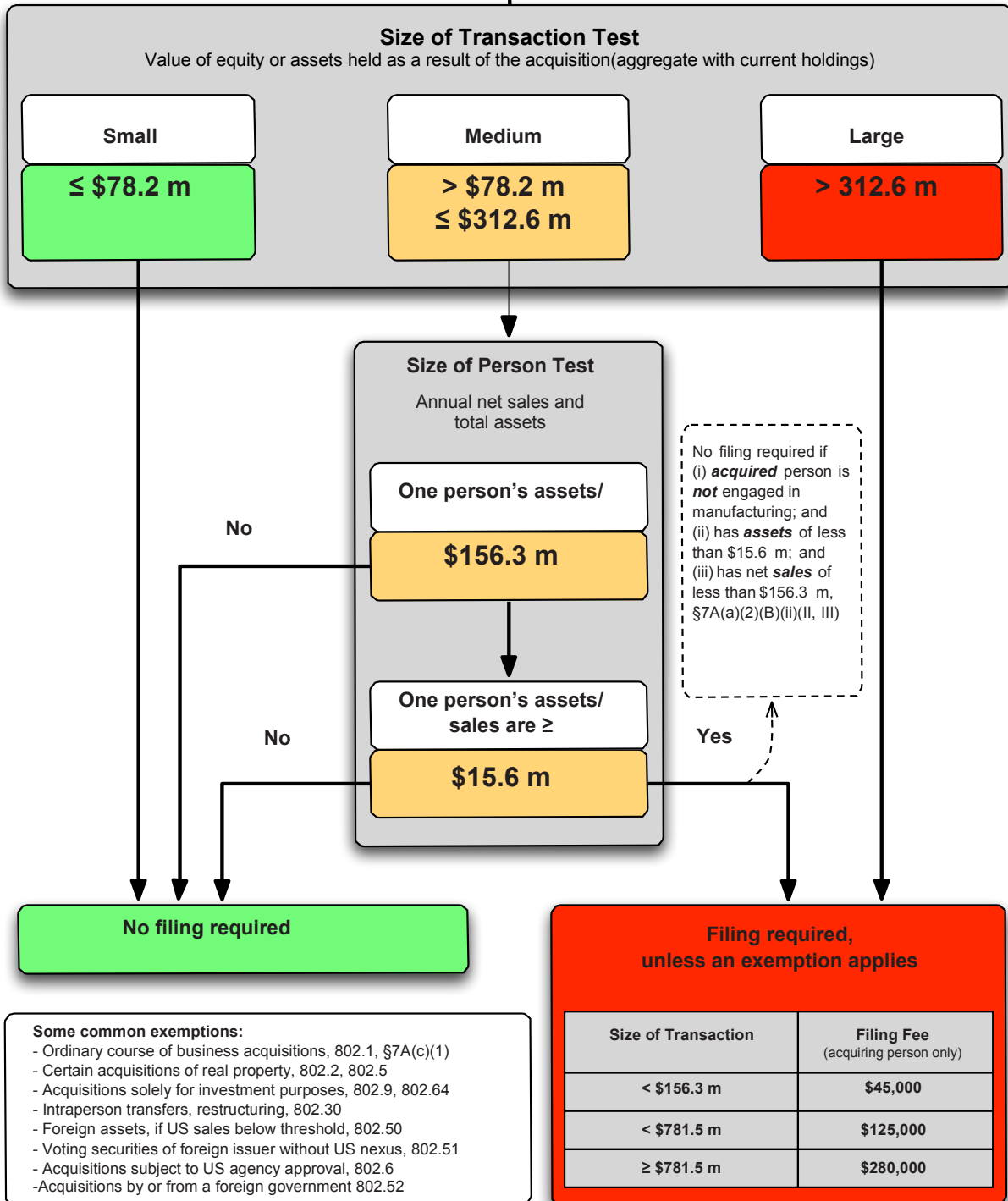
1. Increase the minimum size-of-transaction test to \$78.2 million, this means acquisitions of \$78.2 million or less will not be reportable;
2. Increase the transaction size to which the size-of-person test applies to \$312.6 million, this means acquisitions of more than \$312.6 million will be reportable regardless of the size of person unless an exemption applies; and
3. Increase the size-of-persons test to \$15.6 million and \$156.3 million, this means that acquisitions of \$312.6 million or less are not reportable unless one person has assets or annual net sales of \$15.6 million or more and the other person has assets or annual net sales of \$156.3 million or more. If the acquired person is not engaged in manufacturing, the test for it is sales of \$156.3 million or assets of \$15.6 million

The new thresholds for 2016 are set out below. The chart on the next page illustrates the application of the HSR thresholds and lists the filing fee amounts, which remain unchanged.

| Original Threshold | New Threshold |
|---|---|
| <i>Size-of-Transaction</i> \$50 million | \$78.2 million |
| <i>Size-of-Persons</i> \$10 million and \$100 million | \$15.6 million and \$156.3 million |
| <i>Transaction Size above which Size-of-Persons Test Inapplicable</i> \$200 million | \$312.6 million |
| <i>Notification thresholds:</i> \$50 million \$100 million \$500 million 25% of stock worth \$1 billion | \$78.2 million \$156.3 million \$781.5 million \$1,563.0 million |
| <i>Filing fee thresholds:</i> \$50 million \$100 million \$500 million | \$78.2 million \$156.3 million \$781.5 million |

HSR Reportability Thresholds
§7A(a)(2)

2016 Adjusted Thresholds



Sources: HSR Act (§7A Clayton Act, 15 USC §18a), Coverage Rules and Exemption Rules (16 CFR Parts 801 and 802)

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