

# Memorandum

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## Revised HSR Act Thresholds

January 29, 2020

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The Federal Trade Commission (“FTC”) has announced revised monetary thresholds for the Hart-Scott-Rodino Antitrust Improvement Act of 1976 (“HSR Act”). The revised thresholds were published in the *Federal Register* on January 28, 2020 and will be effective on February 27, 2020, applying to all transactions that close on or after that date.

The primary revisions to the thresholds are increases to the “size-of-transaction” and “size-of-person” tests for filing under the HSR Act. Most notably, transactions valued at \$94.0 million or less will not be reportable under the HSR Act (up from the prior threshold of \$90.0 million). With respect to the size-of-person thresholds, acquisitions valued above \$94.0 million but less than \$376.0 million will be reportable if one party has annual net sales or total assets of at least \$188.0 million and the other has annual net sales or total assets of at least \$18.8 million. Acquisitions valued at or above \$376.0 million will be reportable without regard to the sales or assets of the parties.

The revisions will also increase the notification thresholds for acquisitions of additional voting securities from the same party (i.e., when an investor increases its shareholding in a company). Notifications will be required at each of the following thresholds: \$94.0 million; \$188.0 million; \$940.1 million; 25% of the shares if the value of shares to be held is above \$1,880.2 million; and 50% of the shares if their value is above \$94.0 million.

The filing fees for reportable transactions will not change, but the size-of-transaction thresholds that trigger those fees will change. The acquiring person will pay a filing fee of \$45,000 for transactions valued above \$94.0 million but less than \$188.0 million, \$125,000 for transactions valued at or above \$188.0 million but less than \$940.1 million, and \$280,000 for transactions valued at or above \$940.1 million.

Finally, the dollar amounts used for determining the applicability of certain exemptions to filing have also been adjusted to reflect the new thresholds, where indicated by the term “as adjusted” in the HSR rules.

For further information regarding the issues raised above or any other aspects of the HSR Act and rules, please contact:

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