

Client Alert

January 2020

New HSR Thresholds

What Happened: The Federal Trade Commission published revised Hart-Scott-Rodino (HSR) thresholds in the Federal Register on January 28, 2020.

The Bottom Line: The new thresholds will apply to all transactions closed on or after February 27, 2020. Clients contemplating mergers or acquisitions need to be aware of the new thresholds. Companies may need to file with the Federal Trade Commission and Department of Justice if the value of the deal exceeds \$94 million.

The Full Story:

The FTC revises the HSR thresholds each year, based on gross national product. Under the [revised thresholds](#), generally, if the value of noncorporate interests, assets, voting securities or a combination thereof exceeds \$376 million and no exemption applies, the parties must file. If the value of the transaction exceeds \$94 million but is \$376 million or less, then antitrust counsel will need to do a “size of person” analysis. Generally, an HSR filing will not be required unless one party to the transaction has total assets or annual net sales of \$18.8 million or more and the other party has total assets or annual net sales of \$188 million or more.

ORIGINAL THRESHOLD	2019 THRESHOLD	2020 THRESHOLD
\$10 million	\$18 million	\$18.8 million
\$50 million	\$90 million	\$94 million
\$100 million	\$180 million	\$188 million
\$110 million	\$198 million	\$206.8 million
\$200 million	\$359.9 million	\$376 million
\$500 million	\$899.8 million	\$940.1 million
\$1 billion	\$1,799.5 million	\$1,880.2 million

While the filing fees remain the same, the thresholds for those fees have also changed:

FEE	VALUE OF TRANSACTION
\$45,000	> \$94 million but < \$188 million
\$125,000	\$188 million or greater but < \$940.1 million
\$280,000	\$940.1 million or greater

HSR analysis is fact-specific and requires a comprehensive and thorough understanding of both the statute and relevant regulations. Clients are advised to consult with antitrust counsel as early as possible to determine if an HSR filing is needed before closing the deal. Noncompliance is costly. Earlier this year, the maximum civil penalty for violating the HSR Act increased, from \$42,530 to \$43,280 per day.

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