

FTC ANNOUNCES INCREASED HSR THRESHOLDS

Corporate & Business Law Alert
January 16, 2015

The Federal Trade Commission (FTC) announced on January 15, 2015, the revised transaction thresholds that trigger the requirement to file a premerger notification and report form under the Hart-Scott-Rodino Antitrust Improvements Act (HSR Act). The FTC revises the thresholds annually based on changes in the gross national product. The new thresholds will be effective 30 days after their publication in the Federal Register.

With these recent adjustments to the HSR thresholds, the parties to a transaction must file an HSR notification if a deal meets one of two tests:

1. The total value of a proposed transaction exceeds **\$305.1 million**; or
2. The total value of a proposed transaction exceeds **\$76.3 million**, and one party has at least **\$15.3 million** in total assets or sales, and the other party has at least **\$152.5 million** in total assets or sales.

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 to both the FTC and Department of Justice, Antitrust Division (DOJ) prior to closing. Reportable transactions cannot be consummated until after a designated period of time (usually 30 days). Although there are certain statutory exemptions to the HSR filing requirements, the \$76.3 million threshold is a key threshold to keep in mind. Any transaction that falls below that threshold is exempt from the filing requirements.

The filing fees under the act have not been adjusted and are as follows:

Value of Transaction

Filing Fee

\$76.3 million to \$152.5 million

\$45,000

\$152.5 million to \$762.7 million

\$125,000

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\$762.7 million or more

\$280,000

If you have any questions relating to the HSR Act or other antitrust issues, please contact Bob Fleming (716-848-1376; rfleming@hodgsonruss.com) or Brian Manning (716-848-1314; bmanning@hodgsonruss.com).