

Annual HSR Threshold Adjustments Announced for 2021

FTC adjusts the Hart-Scott-Rodino Act size thresholds, lowering the minimum size for reportable acquisitions to US\$92 million.

On February 1, 2021, the Federal Trade Commission (FTC) announced new jurisdictional thresholds for the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act). The FTC is required to adjust the thresholds annually, based on the change in gross national product, which shrunk in 2020 due to the COVID-19 pandemic. These decreases are scheduled to be published in the Federal Register on February 2, 2021, making them effective for all transactions closing on or after March 4, 2021.

The new thresholds will:

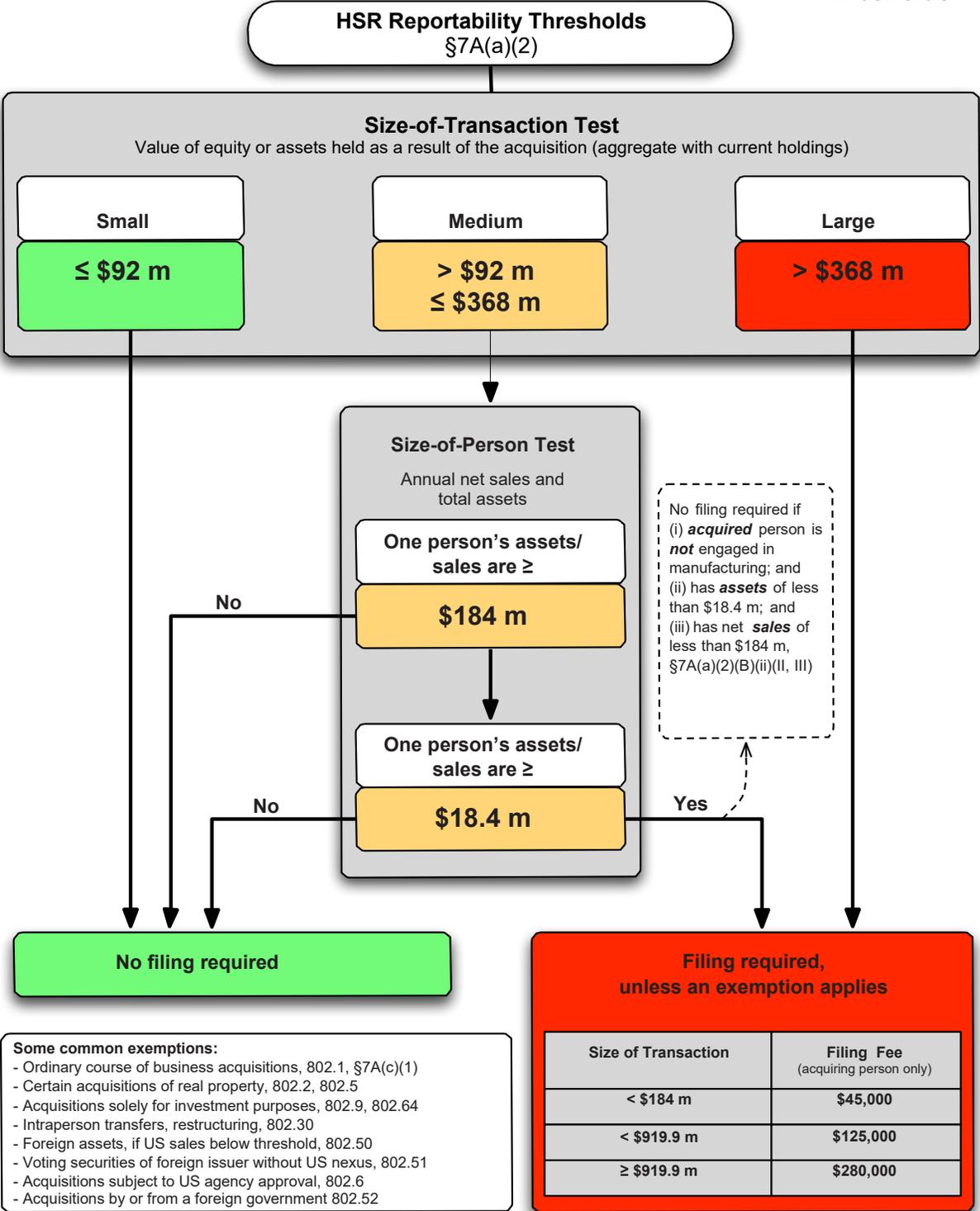
- Decrease the minimum size-of-transaction test to US\$92 million; this means acquisitions of US\$92 million or less will not be reportable
- Decrease the transaction size to which the size-of-persons test applies to US\$368 million; this means acquisitions of more than US\$368 million will be reportable regardless of the size of the parties unless an exemption applies
- Decrease the size-of-persons test to US\$18.4 million and US\$184 million; this means that acquisitions of US\$368 million or less are not reportable unless one person has assets or annual net sales of US\$18.4 million or more and the other person has assets or annual net sales of US\$184 million or more. The size-of-persons test for an acquired person that is not engaged in manufacturing is sales of US\$184 million or assets of \$18.4 million.

The new thresholds for 2021 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> US\$50 million	US\$92 million
<i>Size-of-Persons</i> US\$10 million and US\$100 million	US\$18.4 million and US\$184 million
<i>Transaction Size above which Size-of-Persons Test Inapplicable</i> US\$200 million	US\$368 million
<i>Notification thresholds:</i> US\$50 million US\$100 million US\$500 million 25% of stock worth US\$1 billion	US\$92 million US\$184 million US\$919.9 million US\$1,839.8 million

<i>Filing fee thresholds:</i> US\$50 million US\$100 million US\$500 million	US\$92 million US\$184 million US\$919.9 million
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2021 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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