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Annual HSR Threshold Adjustments Announced for 2022

FTC adjusts the Hart-Scott-Rodino Act size thresholds, raising the minimum size for reportable acquisitions to \$101 million.¹

On January 21, 2022, the Federal Trade Commission (FTC) announced new jurisdictional thresholds for the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR). The FTC is required to adjust the thresholds annually, based on the change in gross national product. These increases were published in the Federal Register and are effective for all transactions closing on or after February 23, 2022.

The new thresholds will:

- Increase the minimum size-of-transaction test to \$101 million; this means acquisitions of \$101 million or less will not be reportable
- Increase the transaction size to which the size-of-persons test applies to \$403.9 million; this means
 acquisitions of more than \$403.9 million will be reportable regardless of the size of the parties unless
 an exemption applies
- Increase the size-of-persons test to \$20.2 million and \$202 million; this means that acquisitions of \$403.9 million or less are not reportable unless one person has assets or annual net sales of \$20.2 million or more and the other person has assets or annual net sales of \$202 million or more. The size-of-person test for an acquired person that is not engaged in manufacturing is sales of \$202 million or assets of \$20.2 million.

The new thresholds for 2022 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
Size-of-transaction \$50 million	\$101 million
Size-of-persons \$10 million and \$100 million	\$20.2 million and \$202 million
Transaction size above which size-of-persons test is inapplicable \$200 million	\$403.9 million
Notification thresholds \$50 million \$100 million \$500 million 25% of stock worth \$1 billion	\$101 million \$202 million \$1.0098 billion \$2.0196 billion
Filing fee thresholds \$50 million \$100 million \$500 million	\$101 million \$202 million \$1.0098 billion

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2022 Adjusted Thresholds **HSR Reportability Thresholds** §7A(a)(2) Size-of-Transaction Test Value of equity or assets held as a result of the acquisition (aggregate with current holdings) **Small** Medium Large ≤ \$101 m > \$101 m > \$403.9 m ≤ \$403.9 m Size-of-Person Test Annual net sales and total assets No filing required if (i) acquired person is One person's assets/ not engaged in sales are ≥ manufacturing; and (ii) has assets of less No than \$20.2 m; and \$202 m (iii) has net sales of less than \$202 m, §7A(a)(2)(B)(ii)(II, III) One person's assets/ sales are ≥ Yes No \$20.2 m No filing required Filing required, unless an exemption applies Some common exemptions: Filing Fee Size of Transaction - Ordinary course of business acquisitions, 802.1, §7A(c)(1) (acquiring person only) - Certain acquisitions of real property, 802.2, 802.5 < \$202 m \$45,000 - Acquisitions solely for investment purposes, 802.9, 802.64 - Intraperson transfers, restructuring, 802.30 < \$1.0098 b \$125,000 - Foreign assets, if US sales below threshold, 802.50 - Voting securities of foreign issuer without US nexus, 802.51 ≥ \$1.0098 b \$280,000 - Acquisitions subject to US agency approval, 802.6 -Acquisitions by or from a foreign government 802.52

If you have any questions about this *Client Alert*, please contact one of the authors listed below or the Latham lawyer with whom you normally consult:

Lindsey S. Champlin

lindsey.champlin@lw.com +1.202.637.2122 Washington, D.C.

Alan J. Devlin

alan.devlin@lw.com +1.202.637.1071 Washington, D.C.

Joshua N. Holian

joshua.holian@lw.com +1.415.646.8343 San Francisco

Amanda P. Reeves

amanda.reeves@lw.com +1.202.637.2183 Washington, D.C.

Britton Dale Davis

britton.davis@lw.com +1.202.654.7103 Washington, D.C.

Peter M. Todaro

peter.todaro@lw.com +1.202.637.2380 Washington, D.C.

lan R. Conner

ian.conner@lw.com +1.202.637.1042 Washington, D.C.

Michael G. Egge

michael.egge@lw.com +1.202.637.2285 Washington, D.C.

Hanno F. Kaiser

hanno.kaiser@lw.com +1.858.509.8458 +1.415.391.0600 San Diego / San Francisco

E. Marcellus Williamson

marc.williamson@lw.com +1.202.637.2200 Washington, D.C.

Patrick C. English

patrick.english@lw.com +1.202.637.1030 Washington, D.C.

Jason D. Cruise

jason.cruise@lw.com +1.202.637.1033 Washington, D.C.

Kelly Smith Fayne

kelly.fayne@lw.com +1.415.646.7897 San Francisco

Farrell J. Malone

farrell.malone@lw.com +1.202.637.1024 Washington, D.C.

Jason L. Daniels

jason.daniels@lw.com +1.415.646.7857 San Francisco

Joseph A. Simei

joseph.simei@lw.com +1.202.637.2147 Washington, D.C.

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Endnotes

¹ All values are in US\$.