



January 25, 2011

FTC Announces Increased Hart-Scott-Rodino Thresholds

The Federal Trade Commission (FTC) recently announced the annual indexing of the jurisdictional thresholds under the Hart-Scott-Rodino (HSR) pre-merger notification statute. The new thresholds will apply to all transactions that close on or after the effective date of the notice. The notice was published in the *Federal Register* on January 25, 2011 and becomes effective 30 days after publication.

As a result of the indexing:

The \$63.4 million minimum transaction value filing threshold has increased to \$66 million.

The \$253.7 million transaction value, above which size-of-person tests are inapplicable, becomes \$263.8 million.

The \$12.7 million and \$126.9 million size-of-person tests become \$13.2 million and \$131.9 million tests respectively.

The amounts of the filing fees have not changed, but the thresholds are increased as follows:

- Transactions valued between \$66 million and \$131.9 million, pay \$45,000.
- Transactions valued at \$131.9 million and up to \$659.5 million, pay \$125,000.
- Transactions valued at \$659.5 million or more pay \$280,000.
- Many (but not all) of the dollar amounts appearing in the HSR Rules (and particularly in the exemptions) have been similarly adjusted.

It is important for any company contemplating a transaction to seek legal advice to determine if the transaction triggers an HSR filing obligation pursuant to the revised HSR thresholds. If required, the failure to file an HSR prior to closing is a violation of federal law and can subject parties to significant penalties.

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