

## FTC's 2020 Adjustments to HSR Filing Thresholds

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The Federal Trade Commission ("FTC") announced its annual adjustment for notification thresholds for proposed mergers and acquisitions under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act").

### HSR Act Threshold Increases:

- "Size-of-transaction" threshold increased from \$90 million to \$94 million
- "Size-of-person" thresholds increased from \$180 million and \$18 million to \$188 million and \$18.8 million, respectively
- "Size-of-transaction" maximum increased from \$359.9 million to \$376 million

### An HSR Filing May be Necessary If:

- As a result of the transaction, the acquirer will hold voting securities and assets of the acquired valued at more than \$94 million but not more than \$376 million, and the "size-of-person" thresholds are also met. To meet the "size-of-person" test, one party must have annual net sales or total assets of at least \$188 million, and the other party must have annual net sales or total assets of at least \$18.8 million
- As a result of the transaction, the acquirer will hold voting securities and assets of the acquired valued at greater than \$376 million (the size-of-person test is not applied), unless another exemption applies.

The FTC also adjusted the thresholds in Section 8 of the Clayton Act that trigger the prohibition on "interlocking directorates" - where one person serves as a director or officer of two competing corporations (subject to certain exceptions). Now the prohibition may apply when (1) each corporation has capital, surplus, and undivided profits aggregating more than \$38,204,000, and (2) each corporation's competitive sales are at least \$3,820,400.

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