

# Client Alert

Latham & Watkins  
Antitrust and Competition Practice Group

## Annual HSR Threshold Revisions Announced

On January 10, 2013, the Federal Trade Commission announced new jurisdictional thresholds for the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act). The FTC is required to revise the thresholds annually, based on the change in gross national product. These increases will take effect 30 days after the date of publication in the Federal Register. The new thresholds should be effective in late February and will affect all transactions closing on or after the effective date.

The new thresholds will:

1. Increase the minimum size-of-transaction test to \$70.9 million, this means acquisitions of \$70.9 million or less will not be reportable;
2. Increase the size-of-transaction to which the size-of-person test

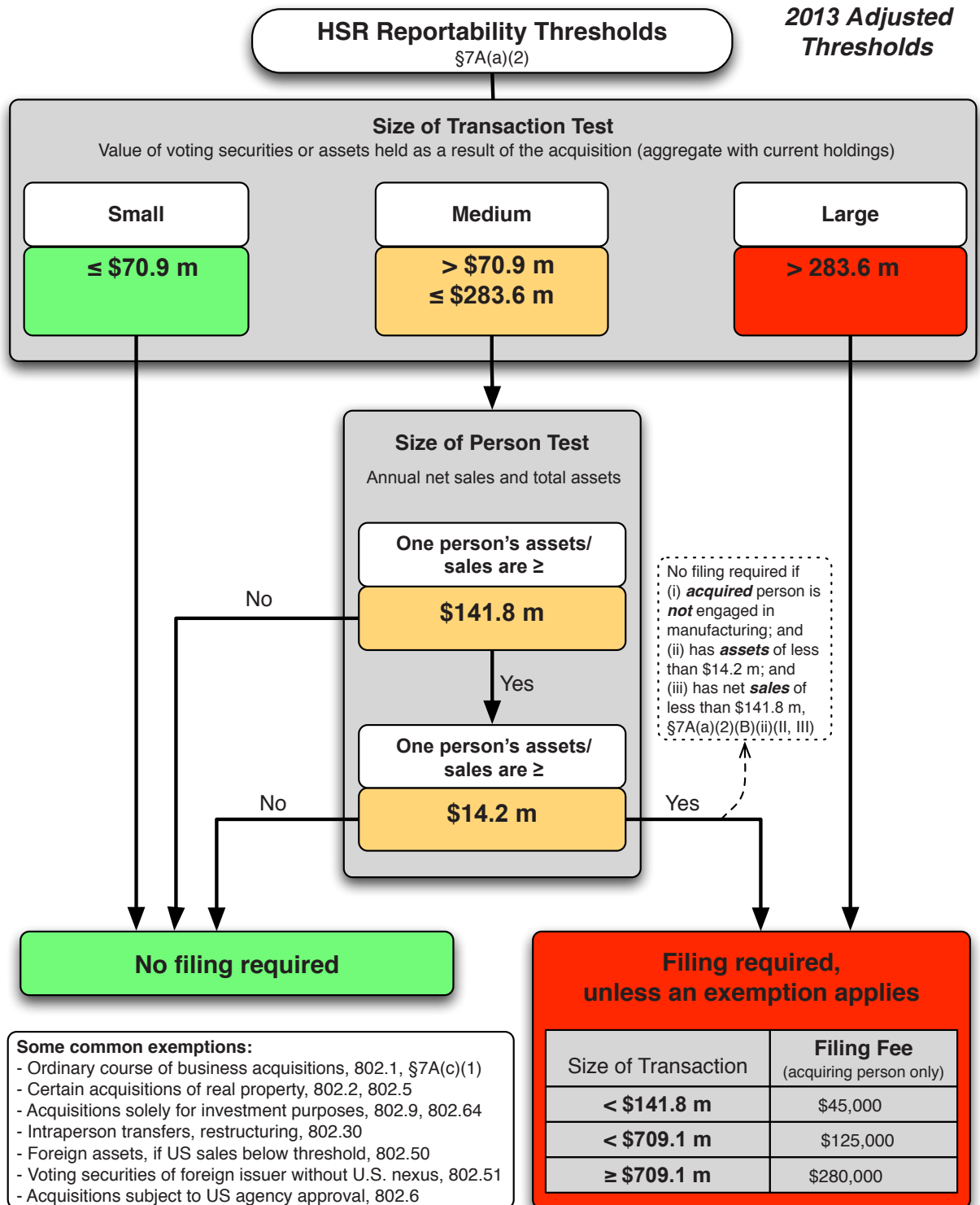
applies to \$283.6 million, this means acquisitions of more than \$283.6 million will be reportable regardless of the size of person unless an exemption applies and;

3. Increase the size-of-persons test to \$14.2 million and \$141.8 million, this means that acquisitions of \$283.6 million or less *are not* reportable unless one person has assets or annual net sales of \$14.2 million or more and the other person has assets or annual net sales of \$141.8 million or more. If the acquired person is not engaged in manufacturing, the test for it is sales of \$141.8 million or assets of \$14.2 million

The new thresholds for 2013 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.

FTC amends the Hart-Scott-Rodino Act size thresholds, *inter alia*, to raise the minimum dollar size for reportable acquisitions to \$70.9 million.

| Original Threshold  | New Threshold   |
|---|---|
| <i>Size of Transaction</i><br>\$50 million  | \$70.9 million  |
| <i>Size-of-Persons</i><br>\$10 million and \$100 million  | \$14.2 million and \$141.8 million  |
| <i>Size-of-Transaction above which Size-of-Person Test Does Not Apply</i><br>\$200 million                          | \$283.6 million   |
| <i>Notification thresholds:</i><br>\$50 million<br>\$100 million<br>\$500 million<br>25% of stock worth \$1 billion | \$70.9 million<br>\$141.8 million<br>\$709.1 million<br>\$1,418.1 million |
| <i>Filing fee thresholds:</i><br>\$50 million<br>\$100 million<br>\$500 million                                     | \$70.9 million<br>\$141.8 million<br>\$709.1 million                      |



Sources: HSR Act (§7A Clayton Act, 15 USC §18a), Coverage Rules and Exemption Rules (16 CFR Parts 801 and 802)

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