

Client Alert

Latham & Watkins
Antitrust and Competition Practice Group

HSR Thresholds to Increase on February 27, 2012

The US Federal Trade Commission has announced that it approved the new jurisdictional thresholds required by the 2000 amendment to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act). Under the amendment, the FTC is required to revise the thresholds annually, based on the change in gross national product. The new thresholds will be effective on February 27, 2012 and will affect all transactions closing on or after that date.

The new thresholds will change the applicable tests as follows:

1. Increase the minimum size-of-transaction test to \$68.2 million, this means acquisitions valued at \$68.2 million or less will not be reportable;

2. Increase the size-of-transaction test to \$272.8 million, this means acquisitions of \$272.8 million or more will be reportable unless an exemption applies;
3. Increase the size-of-persons test to \$13.6 million and \$136.4 million, this means that acquisitions of less than \$272.8 million are *not* reportable unless one person has assets or annual net sales of \$13.6 million or more and the other person has assets or annual net sales of \$136.4 million or more.

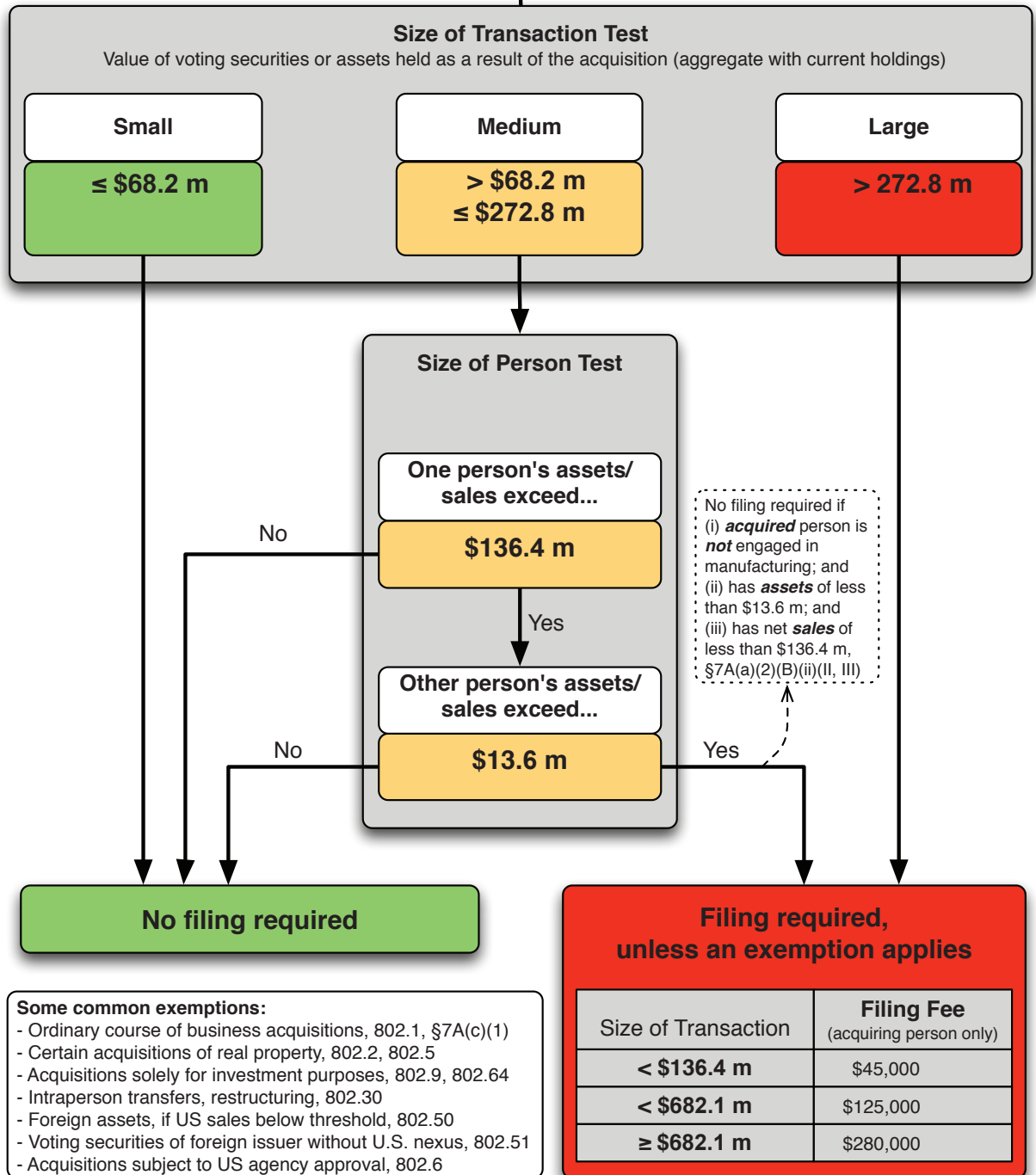
The new thresholds for 2012 are set out below. The chart on the next page illustrates the application of the HSR thresholds and lists the filing fee amounts, which remain unchanged.

"FTC amends the Hart-Scott-Rodino Act size thresholds, inter alia, to raise the minimum dollar size for reportable acquisitions to \$68.2 million."

Original Threshold	New Threshold
<i>Size of Transaction</i> \$50 million	\$68.2 million
<i>Size-of-Persons</i> \$10 million and \$100 million	\$13.6 million and \$136.4 million
<i>Size-of-Transaction above which Size-of-Person Test Does Not Apply</i> \$200 million	\$272.8 million
<i>Notification thresholds:</i> \$50 million \$100 million \$500 million 25% of stock worth \$1 billion	\$68.2 million \$136.4 million \$682.1 million \$1,364.1 million
<i>Filing fee thresholds:</i> \$50 million \$100 million \$500 million	\$68.2 million \$136.4 million \$682.1 million

HSR Reportability Thresholds
§7A(a)(2)

2012 Adjusted Thresholds
Effective February 27, 2012



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

HSR Filing Thresholds

- Acquisitions with an aggregate value in excess of \$68.2m but less than \$136.4m
- Acquisitions with an aggregate value of \$136.4m or more but less than \$682.1m
- Acquisitions with an aggregate value of \$682.1m or more
- Acquisitions of 25% or more of the equity if valued in excess of \$1,364.1m
- Acquisitions of 50% or more of the equity with an aggregate value in excess of \$68.2m

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