

Client Alert

Latham & Watkins
Antitrust and Competition Practice Group

Annual Revisions to the HSR Act Thresholds Announced Effective February 24, 2011

On January 21, 2011, the US Federal Trade Commission announced that it had 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. These adjustments will be effective on February 24, 2011, 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 \$66 million, this means acquisitions *below* \$66 million will not be reportable;

2. Increase the size-of-transaction test to \$263.8 million, this means acquisitions of more than \$263.8 million will be reportable unless an exemption applies;
3. Increase the size-of-persons test to \$13.2 million and \$131.9 million, this means that acquisitions of less than \$263.8 million are *not* reportable unless one person has assets or annual net sales of \$13.2 million or more and the other person has assets or annual net sales of \$131.9 million or more.

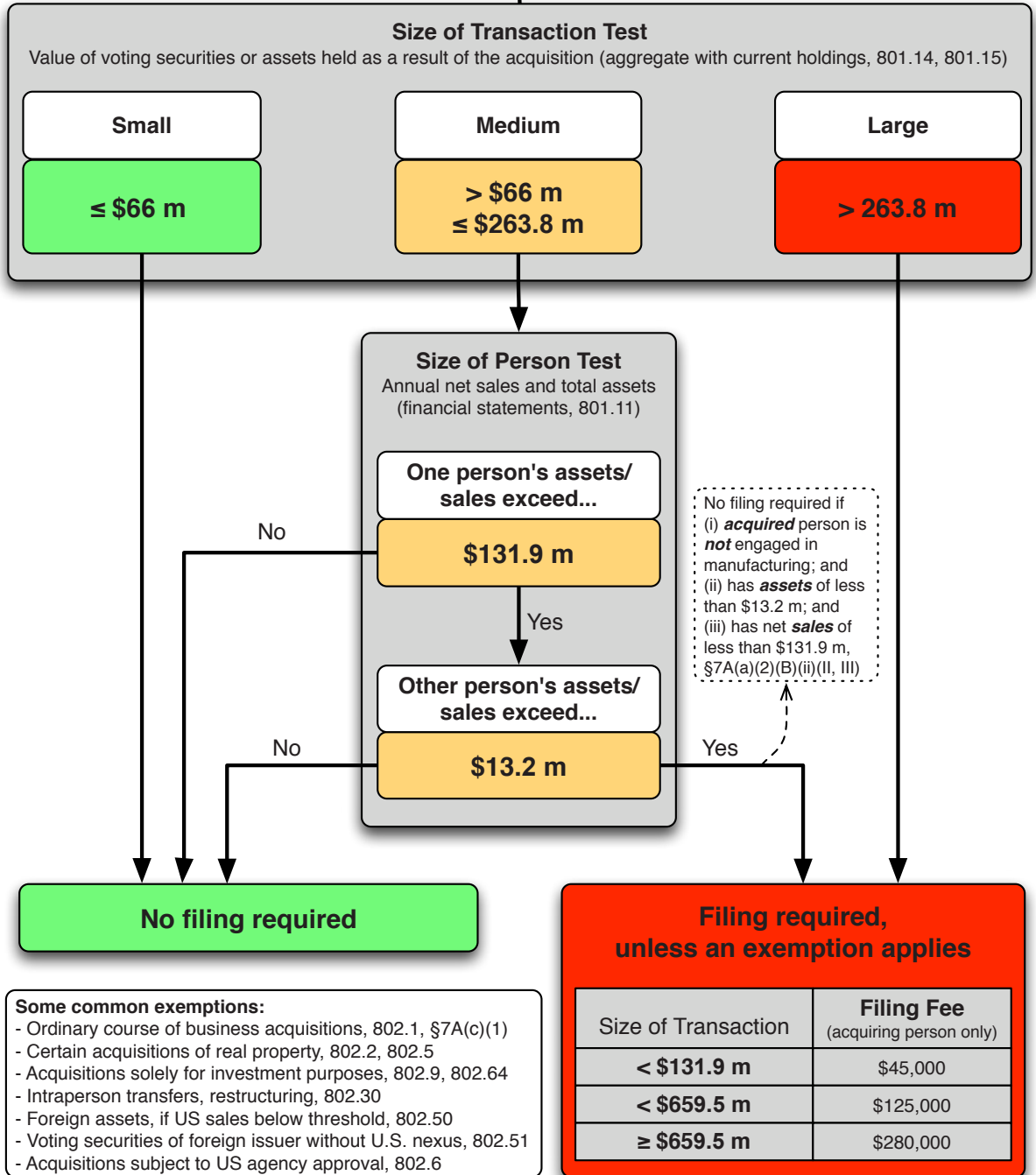
The new thresholds for 2011 are set out below. The chart on the next page illustrates the application of the HSR thresholds and lists the filing fee amounts, which remain unchanged.

"FTC amends the Hart-Scott-Rodino Act size thresholds, inter alia, to raise the minimum dollar size for reportable acquisitions to \$66 million."

Original Threshold	New Threshold
<i>Size of Transaction</i> \$50 million	\$66 million
<i>Size-of-Persons</i> \$10 million and \$100 million	\$13.2 million and \$131.9 million
<i>Size-of-Transaction above which Size-of-Person Test Does Not Apply</i> \$200 million	\$263.8 million
<i>Notification thresholds:</i> \$50 million \$100 million \$500 million 25% of stock worth \$1 billion	\$66 million \$131.9 million \$659.5 million \$1,319 million
<i>Filing fee thresholds:</i> \$50 million \$100 million \$500 million	\$66 million \$131.9 million \$659.8 million

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

2011 adjusted Thresholds
effective February 24, 2011



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

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