

HSR Act Threshold Update

Alert

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On January 22, 2024, the Federal Trade Commission (FTC) announced the [Revised Jurisdictional Thresholds for Section 7A of the Clayton Act](#) to the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act).

HSR ACT THRESHOLD UPDATE

The FTC must revise the HSR Act thresholds annually based on the change in the gross national product. The size-of-transaction filing threshold will increase from the 2023 threshold of \$111.4 million to the 2024 threshold of \$119.5 million. The changes will be effective for transactions closing on or after the effective date of the notice, which is 30 days after the date of the notice's publication in the *Federal Register*.

Under the new thresholds and absent an applicable exemption, the parties to an acquisition or merger will need to file pre-merger notifications with the Department of Justice and the FTC and observe the HSR Act's waiting period if the transaction results in either of the following:

- Acquiring person will hold at least \$119.5 million worth of voting securities and assets of the acquired person and the parties meet the "size-of-person" requirements (set forth below).
- Acquiring person will hold at least \$478 million worth of voting securities and assets of the acquired person, regardless of the size of the parties

Meeting any one of the following subtests satisfies the "size-of-person" test:

- A person with \$239 million or more of total assets (on its most recent regularly prepared balance sheet) or annual net sales (from its most recently completed fiscal year) proposes to acquire voting securities or assets of a person with \$23.9 million or more of total assets or annual net sales.

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- A person with \$23.9 million or more of total assets or annual net sales proposes to acquire voting securities or assets of a person with \$239 million or more of total assets or annual net sales.

For the purpose of applying the thresholds, the term “person” means the ultimate parent entity of the party engaged in the transaction. Certain exemptions may apply, depending on the nature of the transaction and the location and nature of the assets and entities involved. As a result, additional analysis is often required before making a final determination regarding the need for a filing.

The FTC must also revise the filing fee thresholds annually based on the change in the gross national product. The following filing fee schedule will take effect on the date that is 30 days after the date of the notice’s publication in the *Federal Register*

For more information on the HSR Act threshold update, please contact [Jeetander Dulani](#), William L. Kearney, [Nicci Warr](#) or one of the attorneys listed below or the Stinson LLP contact with whom you regularly work.

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