

2020 Hart-Scott-Rodino Requirements

WHAT YOU NEED TO KNOW

Hart-Scott-Rodino (HSR) filing thresholds will be adjusted upward effective February 27, 2020.

WHAT YOU NEED TO DO

Parties involved in a merger or acquisition should analyze whether it will exceed the new thresholds. The HSR Act dollar thresholds are adjusted each year. The next set of adjustments will take effect on February 27, 2020. These adjustments may affect whether a company is required to make a premerger notification filing in any given transaction.

By way of background, the HSR Act is designed to provide notice to the federal antitrust enforcement agencies (the Federal Trade Commission and the U.S. Department of Justice Antitrust Division) in advance of large mergers and acquisitions. Where the HSR Act applies, the parties to such a transaction must submit a detailed form, along with copies of certain internal documents and consultant documents accompanied by a filing fee (\$45,000, \$125,000 or \$280,000, depending on the size of the transaction). When Congress passed the HSR Act in 1976, Congress set dollar thresholds for its application, and those dollar amounts stayed frozen for 24 years. Congress then reformed the HSR law in 2000 by increasing the thresholds and by providing that they will be adjusted for changes in the U.S. gross national product.

Adjusted Filing Thresholds as of 2020

HSR filing thresholds will be higher in 2020 than in 2019. Some transactions that would have required an HSR filing last year will not require a filing if they close on or after February 27, 2020. Below is a short reference:

2000 Threshold	2019 Threshold	Revised 2020 Threshold
\$10 million	\$18 million	\$18.8 million
\$50 million	\$90 million	\$94 million
\$100 million	\$180 million	\$188 million
\$200 million	\$359.9 million	\$376 million

By way of brief review, and after giving effect to the 2020 adjustments to the thresholds, in most instances the parties to a transaction must make an HSR filing if:

- One party has a size of at least \$188 million (measured by sales or assets);
- The other party has a size of at least \$18.8 million (measured by sales or assets if engaged in manufacturing; by assets, usually, if not engaged in manufacturing); and
- The size of the transaction is at least \$94 million.

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Regardless of the size of the parties, an HSR filing will be required if the size of the transaction is at least \$376 million. These figures will be adjusted for changes to the U.S. gross national product again next year.

HSR analysis often involves nuances and detailed rules. The parties should consult counsel early in the planning of any transaction that has the potential to cross these thresholds.

FOR MORE INFORMATION

If you have questions about these developments, please contact one of the following attorneys.

Robert M. Buchanan, Jr.

617-248-5027 | rbuchanan@choate.com

Sarah N.A. Camougis

617-248-5025 | scamougis@choate.com

Lee S. Feldman

617-248-4053 | lfeldman@choate.com

Michael T. Gass

617-248-4750 | mgass@choate.com

Brian D. Goldstein

617-248-5110 | bgoldstein@choate.com

Rees M. Hawkins

617-248-4777 | rhawkins@choate.com

Brian P. Lenihan

617-248-4929 | blenihan@choate.com

Stephen O. Meredith

617-248-5019 | smeredith@choate.com

Thomas J. Murphy

617-248-5152 | tmurphy@choate.com

John R. Pitfield

617-248-5093 | jpitfield@choate.com

Daniel P. Riley

617-248-4754 | driley@choate.com

Kevin M. Tormey

617-248-4017 | ktormey@choate.com