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New HSR Notification Thresholds for 2019

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The Federal Trade Commission ("FTC") has announced the annual revisions to the Hart-Scott-Rodino Antitrust Improvements Act ("HSR Act") thresholds, which will become effective on April 3, 2019. The revised thresholds will apply to any transaction closing on or after the effective date. The FTC is required to adjust the HSR thresholds annually based upon the change in gross national product.

Under the HSR Act, when a deal satisfies the "size of person" and "size of transaction" thresholds, and no exemption from reporting is available, the deal must be reported to the FTC and the U.S. Department of Justice and the parties must wait for a designated period of time before closing the transaction.

Size of Person. The revised size of person thresholds will generally be met if one party involved in the deal has assets or annual sales totaling $180 million or more and one other party involved in the deal has assets or annual sales of at least $18 million. Satisfaction of the size of person thresholds is not required, however, if the transaction is valued at more than $359.9 million.

Size of Transaction. The revised size of transaction threshold will be met if the buyer will hold an aggregate amount of stock, non-corporate interests and/or assets of the seller valued at more than $90 million as a result of the deal.

The notification thresholds applicable to purchases of voting securities also will increase:

February 1, 2001 Thresholds (Original)	Current Thresholds as of February 28, 2018	New Thresholds Effective April 3, 2019
$50 million	$84.4 million	$90 million
$100 million	$168.8 million	$180 million
$500 million	$843.9 million	$899.8 million
25% if worth more than $1 billion	25% if worth more than $1.687.8 billion	25% if worth more than $1,799.5 million

50% if worth more than $50 million	50% if worth more than $84.4 million	50% if worth more than $90 million

The adjustments also affect the transaction-size benchmarks that determine the amount of the filing fee to be paid when a filing is required. In addition, the thresholds applicable to many exemptions, including those governing foreign acquisitions, will increase. The $500 million threshold applicable to acquisitions of producing oil and gas reserves and associated assets will not change.

Failure to comply with the notification and waiting period requirements of the HSR Act can result in a civil penalty of up to $42,530 per day for each day a party is in violation.