

Memorandum

Revised HSR Act Thresholds

January 29, 2018

The Federal Trade Commission (“FTC”) has announced revised monetary thresholds for the Hart-Scott-Rodino Antitrust Improvement Act of 1976 (“HSR Act”). The revised thresholds were published in the Federal Register on January 29, 2018 and will be effective on February 28, 2018, applying to all transactions that close on or after that date.

The revisions increase the size-of-transaction and size-of-person thresholds for filing under the HSR Act. The thresholds used in determining filing obligations have been increased as follows: from \$80.8 to \$84.4 million, from \$161.5 to \$168.8 million, from \$323.0 to \$337.6 million, from \$807.5 to \$843.9 million, and from \$1,615.0 to \$1,687.8 million.

With respect to the size-of-person thresholds, acquisitions valued above \$84.4 million but less than \$337.6 million will be reportable if one party has annual net sales or total assets of at least \$168.8 million and the other has annual net sales or total assets of at least \$16.9 million. Acquisitions valued at or above \$337.6 million will be reportable without regard to the sales or assets of the parties.

The revisions will also increase size-of-transaction thresholds for acquisitions of additional voting securities from the same person. Notifications will be required at each of the following thresholds: \$84.4 million; \$168.8 million; \$843.9 million; 25% of the shares if the value of shares to be held is above \$1,687.8 million; and 50% of the shares if their value is above \$84.4 million. Acquisitions of additional voting securities that do not meet or exceed the next notification threshold for a period of five years after expiration or termination of the HSR waiting period are exempt, assuming that the acquiring person crosses the threshold for which it filed within the first year of expiration or termination of the HSR waiting period.

The filing fees for reportable transactions will not change, but the size-of-transaction thresholds that trigger those fees will change. The acquiring person will pay a filing fee of \$45,000 for transactions valued above

\$84.4 million but less than \$168.8 million, \$125,000 for transactions valued at or above \$168.8 million but less than \$843.9 million, and \$280,000 for transactions valued at or above \$843.9 million.

Finally, the dollar amounts used for determining the applicability of certain exemptions to filing have also been adjusted to reflect the new thresholds, where indicated by the term “as adjusted” in the HSR rules.

For further information regarding the issues raised above or any other aspects of the HSR Act and rules, please contact:

NEW YORK CITY

Peter Guryan

+1-212-455-2750

peter.guryan@stblaw.com

Kelly Karapetyan

+1-212-455-7268

kelly.karapetyan@stblaw.com

Kenneth C. Ehrhard

+1-212-455-2403

kehrhard@stblaw.com

WASHINGTON, D.C.

Peter Thomas

+1-202-636-5535

pthomas@stblaw.com

Andrew M. Lacy

+1-202-636-5505

alacy@stblaw.com

Sara Y. Razi

+1-202-636-5582

sara.razi@stblaw.com

William L. Kearney

+1-202-636-5583

wkearney@stblaw.com

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UNITED STATES

New York
425 Lexington Avenue
New York, NY 10017
+1-212-455-2000

Houston
2 Houston Center
909 Fannin Street
Houston, TX 77010
+1-713-821-5650

Los Angeles
1999 Avenue of the Stars
Los Angeles, CA 90067
+1-310-407-7500

Palo Alto
2475 Hanover Street
Palo Alto, CA 94304
+1-650-251-5000

Washington, D.C.
1155 F Street, N.W.
Washington, D.C. 20004
+1-202-636-5500

EUROPE

London
CityPoint
One Ropemaker Street
London EC2Y 9HU
England
+44-(0)20-7275-6500

ASIA

Beijing
3919 China World Tower
1 Jian Guo Men Wai Avenue
Beijing 100004
China
+86-10-5965-2999

Hong Kong
ICBC Tower
3 Garden Road, Central
Hong Kong
+852-2514-7600

Seoul
West Tower, Mirae Asset Center 1
26 Eulji-ro 5-gil, Jung-gu
Seoul 100-210
Korea
+82-2-6030-3800

Tokyo
Ark Hills Sengokuyama Mori
Tower
9-10, Roppongi 1-Chome
Minato-Ku, Tokyo 106-0032
Japan
+81-3-5562-6200

SOUTH AMERICA

São Paulo
Av. Presidente Juscelino
Kubitschek, 1455
São Paulo, SP 04543-011
Brazil
+55-11-3546-1000